

Background Information on the Protection of the State-guaranteed Deposits

Guarantees on deposits with a credit institution or credit union	Safety of your deposits is guaranteed by the deposit guarantee scheme, which has been established pursuant to the Deposit Guarantee Law. In case of unavailability of deposits at a credit institution or credit union, your deposit in the amount of up to EUR 100,000 shall be compensated by the Deposit Guarantee Fund.
Maximum amount of guaranteed compensation and deposits for which the state-guaranteed compensation shall not be disbursed	<p>The maximum amount of guaranteed compensation is EUR 100,000 per each depositor per credit institution or credit union. The currency of the guaranteed compensation shall be the euro. Payment of the guaranteed compensation shall not apply to the following deposits specified in Section 23 of the Deposit Guarantee Law:</p> <ol style="list-style-type: none"> 1) the deposits of credit institutions and credit unions; 2) the deposits of financial institutions; 3) the deposits of such municipalities, the annual budget of which exceeds 500,000 euros, and the deposits of the institutions of direct administration; 4) the deposits that are related to money laundering or are to be recognised as illegally acquired assets, provided a convicting judgment of a court has entered into force; 5) the deposits the depositor of which has not been identified as client as required under the provisions of On the Prevention of Money Laundering and Terrorism Financing; 6) the deposits, which under the law form the own capital of the deposit taker; 7) the deposits of insurance companies; 8) the deposits of investment firms; 9) the deposits of investment management firms; 10) the deposits of private pension funds; 11) the deposits of the managers of alternative investment funds; 12) debt securities issued by a credit institution, as well as obligations arising from its bills of exchange, including transferable bills of exchange; 13) the deposits with which no transactions have been made within the last two years of the date of occurrence of unavailability of deposits and the value of which is lower than 10 euros.
Maximum amount of additionally guaranteed compensation	In addition to the maximum guaranteed compensation in the amount of EUR 100,000, a depositor is entitled to the guaranteed compensation in the amount of up to EUR 200,000 in accordance with the types of deposits and provisions specified in Section 4 of the Deposit Guarantee Law.
Calculation of guaranteed compensation in case of multiple deposits at the same credit institution or credit union	Total of your deposits at the same credit institution or credit union shall be aggregated and the maximum amount of guaranteed compensation (EUR 100,000) shall be applied to the total amount.

<p>Calculation of guaranteed compensation in case of a joint deposit with other person(s)</p>	<p>If more than EUR 100,000 is held on the account, the guaranteed compensation in the amount of up to EUR 100,000 shall be applied to each depositor separately provided that this depositor has been identified prior to the date of occurrence of unavailability of deposits.</p> <p>If the depositor manages the funds that are due to another person in the depositor's account, then this person is entitled to receive the guaranteed compensation, if this person can prove his claim to the funds, and if depositor has identified this person before the deposit became unavailable</p>
<p>Beginning of guaranteed compensation payout process in case of unavailability of deposits and guaranteed compensation payout to minors</p>	<p>Payment of the guaranteed compensation is made for five years period starting from the day of unavailability of deposits or from the day when the conditions for the refusal to pay the guaranteed compensation specified in Section 27, Paragraph one of the Deposit Guarantee Law have ended. The guaranteed compensation is paid:</p> <ul style="list-style-type: none"> - starting from the 16th working day after the date of occurrence of unavailability of deposits if unavailability of deposits has occurred from 1 January 2019 and until 31 December 2020. - starting from the 10th working day after the date of occurrence of unavailability of deposits if unavailability of deposits has occurred from 1 January 2021 and until 31 December 2023. - starting from the 8th working day after the date of occurrence of unavailability of deposits if unavailability of deposits has occurred after 1 January 2024. <p>Legal representatives (parents) of minor depositors (account holders) or guardians appointed in accordance with Section 222 of the Civil Law and Section 26 of the Orphans' Court Law in case of unavailability of deposits and in accordance with the minor's property interests are entitled to perform all necessary actions for the receipt of the state-guaranteed compensation of a minor in accordance with the procedures specified in regulatory enactments.</p> <p>Persons are entitled to receive the guaranteed compensation in person from the moment they reach the age of 18.</p>
<p>Information on the possibility of mutual offset of claims</p>	<p>In the calculation of guaranteed compensation due to a depositor, the depositor's liabilities against credit institution or credit union may be taken into account and mutually offset</p>
<p>Contacts</p>	<p>Financial and Capital Market Commission: Kungu iela 1, Riga, LV-1050, tel. +371 6777 4800, www.fktk.lv.</p>